

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

City Council Chambers
915 I Street, Room 202
Sacramento, CA 95814
April 27, 2000

PANEL MEMBERS

John Duncan
Chairman

Clifford Cummings
Member

Aram Hodess
Member

Patricia A. Noyes
Member

Tom Rankin
Member

Laurel Shockley
Member

Dan F. Trammell
Member

Pat Williams
Member

Executive Staff

Victoria Bradshaw
Executive Director

Ada Carrillo
Acting Assistant Director, Administration

Peter G. DeMauro
General Counsel

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

City Council Chambers
915 I Street, Room 202
Sacramento, CA 95814
April 27, 2000

I. CALL TO ORDER

Chairman John Duncan called the public Panel meeting to order at 9:04 a.m.

II. ROLL CALL

Members Present

John Duncan, Chairman
Clifford Cummings
Aram Hodess (arrived at 9:07 a.m.)
Pat Noyes
Tom Rankin
Laurel Shockley
Dan Trammell
Pat Williams

Executive Staff Present

Victoria Bradshaw, Executive Director
Peter DeMauro, General Counsel

Chairman John Duncan welcomed and administered the Oath of Office to Dan Trammell, appointed by Speaker of the Assembly Antonio R. Villaraigosa, to serve on the Panel effective April 12, 2000.

III. APPROVAL OF AGENDA

ACTION: Ms. Noyes moved and Mr. Cummings seconded the Panel approve the meeting agenda as proposed.

Motion carried, 8 – 0.

IV. APPROVAL OF MINUTES

ACTION: Ms. Shockley moved and Mr. Rankin seconded the Panel approve the minutes of the March 23, 2000, meeting as presented.
Motion carried, 8 - 0.

V. REPORTS OF THE PANEL MEMBERS

There were no reports from the Panel members.

VI. REPORT OF THE EXECUTIVE DIRECTOR

Ms. Bradshaw reported if all of the projects are approved by the Panel today, there will be \$14.8 million in unencumbered funds available for training projects for the remainder of this fiscal year.

Ms. Bradshaw reported she and staff met with Senator Johnston regarding SB 43 and addressed the ETP "sunset date."

She reported ETP's request to augment ETP's appropriation by \$15 million is included in the Governor's budget and has gone to the Senate and Assembly. It has been positively received but the Senate and Assembly are waiting for the May revised figures before taking any action.

VII. REPORT OF THE ASSISTANT DIRECTOR

Mr. DeMauro reported on the program application activity on behalf of Ada Carrillo who was attending a Senate Budget Hearing. The Application Review Unit received 38 Requests for Eligibility Determination (REDs) this month. ETP has been averaging 46.6 REDs a month. Projects approved have been averaging 20.9 a month with an average of \$8.5 million total per month.

VIII. REPORT OF THE GENERAL COUNSEL

Mr. DeMauro gave a brief update on the Panel's recently proposed regulations. The regulations on employer contributions and revised fixed fee rates were approved by the Office of Administrative Law as emergency regulations with an effective date of April 17, 2000. The Panel now has 120 days from the effective date to notice the emergency regulations for adoption through the normal rulemaking process, including the opportunity for a public hearing.

Mr. DeMauro requested the public to contact ETP staff and express their opinions of the limit on number of sites permitted for videoconferencing.

IX. OLD BUSINESS

There was no Old Business.

X. PUBLIC COMMENT

There were no members from the public who wished to comment.

XI. ROLE OF MULTIPLE EMPLOYER CONTRACTS

Ms. Bradshaw announced ETP will be holding public hearings on May 24 in Los Angeles and May 31 in Oakland to hear additional testimony on multiple employer contracts (MECs). Staff will review the various input and present recommendations to the Panel by early this summer.

Ms. Bradshaw reported over the past several years there has been an increase in funding of multiple employer contracts, which have traditionally served the training needs of small employers. However, Ms Bradshaw stated, there appears to be a trend towards larger businesses participating in MEC contracts rather than carrying their own contract. ETP is required to fund training that is customized to an employer's particular needs and is supplemental to training regularly provided by the employer. Proposed legislation, Senator Johnston's bill, SB43, would increase the emphasis on customization. The issues of customization and supplemental training are more complex in the case of multiple employer contracts where many employers are being served at one time by one training project.

Ms Bradshaw introduced Bill Rash, Programs Manager for ETP. Mr. Rash presented data comparing agreement development activity for the years 1998 and 1999. The year 1998 showed 70 multiple-employer agreements averaging \$406,749 in training costs compared to 1999 with 65 multiple employer agreements averaging \$653,268. Statistics showed a significant increase in vocational, technical and trade school contractors from 1998 to 1999. There was also a slight increase in employer consortia and community-based organizations contractors. Statistics showed there was a significant decrease in agreements from Regional Occupational Programs, Universities and Community Colleges contractors and slight decreases in labor and trade associations and units of local government contractors.

Mr. Rash reported 1998 statistics showed \$25.7 million for 70 multiple employer contracts (28 percent), and \$66.3 million for 195 single employer contracts (72 percent). In 1999, the multiple employer contracts significantly increased to \$42.5 million for 65 contracts (42 percent), and a decrease to \$59.4 million for 147 contracts (58 percent) for single employer contracts.

Ms. Bradshaw stated that even though the trend appears to be towards more of the type of training which is consistent with ETP's mission and mandate, there seems to be a trend going away from single employer contracts to multiple employer contracts. The question arises as to whether in directing single employers to provide customized, supplemental training, employer contributions, etc., we need to examine this trend to ensure the intent of the program is not being eroded through the increase use of MECs.

Ms Bradshaw introduced Mike Rice, manager of ETP's Program and Research Unit, who presented a panel representing a variety of perspectives on MEC. The Panel consisted of Steve Duscha representing Alliance for ETP, Sallyanne Monti, Corporation for Manufacturing Excellence,

Norma Alvarado, West Los Angeles, College, and Leena Rai, New Horizons Computer Learning Center.

Steve Duscha, Duscha Advisories, representing the Alliance for ETP, stated that ETP money comes from a tax that employers pay on behalf of their workers and should, therefore, be driven by employers and workers and not schools or training agencies. The funds are to be used for supplemental training for employees to become better at their current jobs or jobs they are about to start. Training should be customized for the benefit of employers and employees for both single employer and multiple employer contracts. Mr. Duscha suggested defining customized training as “training tailored to a specific employer or group of employers in a discrete industry.” Machining, electrical, or postproduction work in the entertainment industry would be examples of discrete industries. Mr. Duscha suggested customizing could be accomplished through an assessment of employer needs prior to the start of training or through SOST.

Mr. Duscha stated there are two types of multiple employer contracts. Type A contract is much like a single employer contract. The contractor, such as a community college, has a master contract with ETP and in turn markets to employers and develops a customized curriculum for each employer. The contractor sends instructors to the employer’s work site to conduct the training. Classes are limited to one employer. Employers can train only a single department or division of employees at a time and can phase training over several years more easily than with a direct single employer contract. The Type B contract mixes ETP trainees from several different employers together in a central classroom (center-based training).

Mr. Duscha suggested to ensure that training is supplemental, the contractor should be asked to demonstrate that ETP funds are adding to the amount of training that contractor is providing, rather than replacing a lost funding source. For projects in which training is on site at participating employers, ETP can gather data on the Participating Employer Retraining Certification form that is comparable to what is gathered for single employer contracts.

Mr. Duscha stated multiple employer and single employer contractors should be treated similarly, and, generally, ETP should not train for high turnover jobs. However, there are certain industries, such as the building trades and entertainment, in which many workers work on a project by project basis among a group of employers. The Alliance raised this issue with Ms. Bradshaw and she and her staff is aware of this issue and uses the flexibility already in the rules to take care of these special circumstances.

Mr. Duscha stated multiple employer contracts are how ETP serves small business, but there are good reasons for larger businesses to use multiple employer contracts. Therefore, multiple employer contracts should not be limited to small businesses. He stated he believes the problem is with contracts that are not customized, rather than with the holder of the contract.

Mr. Duscha commented that ETP is primarily a retraining program and should continue to concentrate on retraining. He stated there are more alternate sources of funds for new hires than there are for retraining. New hires should be limited to contracts that also include retraining in order for contractors to be able to offer a comprehensive range of training services to employers. New hire training must also be customized and supplemental.

Mr. Hodess asked Mr. Duscha to address the issue of employer contributions. Mr. Duscha replied the Alliance believes there should be employer contributions for both single and multiple employer contracts. Every contract should be evaluated and each individual employer separately assessed as required.

Sallyanne Monti, Project Manager for Training Services, Corporation for Manufacturing Excellence (MANEX) spoke representing those contracts that fall under the Alliance's description of a "Type A" contractor, where the contractor provides training at the participating employer's site. In order for the multiple employer contractor to have the ability to customize training for participating employers, she recommended that the agreement include a pre-approved curriculum menu. She also recommended that each employer certify that the training is supplemental and not displacing training the employer provides in their normal course of business by completing a signed, written statement called a "Certification for Retraining Agreement," which is currently required by all single employer contracts. MANEX does incorporate the certification into their assessment process. She recommended a Certification of Retraining be included as part of the ETP PERC application. Ms. Monti stated that MANEX doesn't feel multiple employer contracts should have different rules than single employer contracts.

Ms. Monti stated it has been MANEX's experience that when an employer's turnover ratio is above 20 percent, it was often due to an isolated incident. If a company has a high turnover rate, MANEX does ask the company, as part of their assessment process, to explain why the high turnover. Ms. Monti stated the companies with consistently higher turnover rates are those with lower wage employees, such as in the food and garment industries. These companies typically only train the higher wage, permanent, long term employees, so the turnover ratio that is being affected by the low wage trainees isn't really relevant to the viability and success of the training project. She stated that the multiple employee contracts should focus on small businesses, as they do not have the resources to administer training programs. MANEX found that approximately 80 percent of the small businesses they serve would not have been able to obtain training without participation in a consortium. She requested ETP to review, evaluate, and define small business.

Ms. Monti said new hires should be accountable to the same rules and regulations as retrainees. Employer contribution rules and regulations should also be consistent for both single and multiple employer contracts.

Ms. Monti stated MANEX supports both the 90-day retention being carried through from employer to employer and the \$20 fixed fee reimbursement rate for high tech training. Ms. Monti recommended the Panel consider a sliding scale for minimum wage based on job classification rather than a fixed rate. She recommended the Panel seek input regarding the SET agreements for specific industries that are challenged by the wage rate.

Ms. Bradshaw introduced Norma Alvarado, Development Manager, Center for Economic Development and Continuing Education, West Los Angeles College. Ms. Alvarado described their training program as a "Type A" contractor. West Los Angeles College provides on-site, customized training to meet the needs of the employer and not what the employee wants for individual advancement or improvement. The College does a very comprehensive "needs assessment" for each employer. As with the Alliance and MANEX, West Los Angeles College also believes the ETP PERC and Certificate of Retraining should be combined. She stated ETP does need to look at those industries with high turnover rates and realize that is the "way of life" for those industries.

She also stated the multiple employer contracts should include any size company because the larger companies have internal divisions or departments they need to individually train.

Ms. Bradshaw introduced Leena Rai ETP Business Development Manager, New Horizons Computer Learning Center. Ms. Rai emphasized the necessity of in-depth training analysis for each employer. New Horizons provides a written evaluation they share with the employer in order to provide customized training. New Horizons focuses on small to medium size companies. The larger companies, however, often have just a small portion of employees they want to train and not the entire workforce, and it is a much simpler process to be included in a consortia contract than it is to go through the involved ETP process of a single employer contract. Ms. Rai agreed with the other Panelists that there are those industries that experience high turnover rates and there needs to be a more comprehensive approach to evaluating those companies. She is a strong advocate of small companies and believes the multiple employer contracts should continue to be focused on and designed for the smaller companies, who would not otherwise be able to afford training. She doesn't feel the contracts providing training for new hires or for retrainees be handled differently. Ms. Bradshaw pointed out that New Horizons has shifted their training organization from center based training to customized employer needs based training.

Mr. Hodess asked Ms. Rai her opinion on a requirement for in-kind contribution commitments from the individual employers for the retraining of their employees. Ms. Rai believes the employers would have much better incentives to participate in the program and that the participation is critical to the partnership.

Ms. Bradshaw introduced Richard Boyle, president and CEO of the UAW Labor Employment Training Corporation. He emphasized the ETP is a program for working men and women and should not ever become a program to replace schools or training agencies. ETP is a partnership with labor and business, employers and employees to better people's lives and the California economy. Mr. Boyle stated the UAW supports the approach that the Alliance has taken.

Chairman Duncan thanked all the Panelists who presented their testimonial on the multiple employer contracts.

XII. PUBLIC COMMENT

Bruce Klimoski, Executive Director of Continental Training Center, stated the Training Center has been struggling with the turnover rate issue for many years. He recommended looking at the length of employment time when evaluating the turnover ratio. As to employer contributions and multiple requests for ETP funding, he stated the larger employers should be limited on participation and funding. He recommended the Panel address the definition of secure jobs for new hires. He would like to see the use of temporary agencies be considered for placement and requested the Panel revisit the 10 percent limit.

Ron Oliver, Director of Employer Services, San Diego Workforce Partnership, spoke on industry clusters and the increased use of temporary agencies. He requested the Panel provide a forum on the temporary agency industry cluster as they did for the multi media industry.

Ms. Bradshaw announced further Public Hearings on the multiple employer contracts will be held on May 24 at the Furama Hotel in Los Angeles, and May 31 at the Hilton Hotel in Oakland. The meetings will be publicly noticed and will be posted on ETP's Website.

XIII. TRADE AND COMMERCE AGREEMENT

Ms. Bradshaw presented Interagency Agreement #4 between the Trade and Commerce Agency and the Employment Training Panel. The Trade and Commerce Agency has had a unique relationship with ETP in an effort to reach the state's economic development goals. ETP staff recommended that the Panel approve this Agreement.

Ms. Bradshaw introduced the Trade and Commerce representative, Nelson Chan. Mr. Chan endorsed and echoed Ms. Bradshaw's comments and expressed the great enthusiasm of the Trade and Commerce Agency for this Agreement.

ACTION: Mr. Cummings moved and Mr. Hodess seconded the Panel approve the Agreement.

Motion carried, 8 – 0.

XIV. CONSENT CALENDAR, FINAL AGREEMENTS AND AMENDMENTS

Amendments

Fremont Compensation Insurance Group (SET)

Ron Tagami, manager of ETP's North Hollywood field office, presented an Amendment for Fremont Compensation Insurance Group to decrease the total amount of the Agreement by \$183,092.

According to the Contractor's representative, training needs have changed during the past year. With the introduction of the new FOCUS system, it has taken less time than anticipated for workers to become competent, and the amount of training needed in other computer skills training was also overestimated. Therefore, Office Automation training need not consist of more than 24 class/lab hours of training. Since the SOST has proven to be a valuable tool that workers are using to solve specific computer problems, the Contractor requests that SOST be increased by 8 hours, from 40 to 48 hours.

Staff recommended that the Panel find the Contractor's request reasonable and approve the Amendment.

Mr. Rankin was concerned with the condition of their workers compensation *business* but noted that since the request is for a decrease, there shouldn't be a problem.

ACTION: Mr. Cummings moved and Ms. Noyes seconded the Panel approve the proposed Amendment as proposed.

Motion carried, 8 – 0.

Glendale Community College Professional Development Center (XXIV) (SET)

Mr. Tagami presented an Amendment for Glendale Community College Professional Development Center to decrease the total funded amount of the Agreement by \$1,740.

According to the Contractor, participating employers need a 90-hour curriculum rather than a 120-hour curriculum. Therefore, they request to change the number of trainees in both regular funding and SET accordingly. The Contractor is also requesting to create Job 7 to allow ten trainees from Job 1 to receive additional training in a different curriculum.

Staff recommended that the Panel find the Contractor's request reasonable and approve the Amendment.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the proposed Amendment as proposed.

Motion carried, 8 – 0.

Glendale Community College Professional Development Center (XXV) (SET)

Mr. Tagami presented an Amendment for Glendale Community College Professional Development Center. The Contractor is requesting to amend the term of the Agreement from November 29, 1999-November 28, 2001, to December 29, 1999-December 28, 2001, due to holidays and requests from the participating employers to delay starting classes until January 18, 2000.

Staff recommended that the Panel find the Contractor's request reasonable and approve the Amendment.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the Amendment as recommended.

Motion carried, 8 – 0.

ITT Federal Services Corporation (SET)

Mr. Tagami presented an Amendment for ITT Federal Services Corporation to decrease the amount of the Agreement by \$996. The Contractor requests to move four training slots from Job 19 to Jobs 1, 10 and 12. The four trainees who were scheduled to be in Job 19 did not belong in supervisory training. This Amendment has the support of Teamster Union Local No. 166. The Union support letter is included in the Panel Packet.

Staff recommended that the Panel find the Contractor's request reasonable and approve the Amendment.

ACTION: Mr. Cummings moved and Mr. Trammell seconded the Panel approve the Amendment as recommended.

Motion carried, 8 - 0.

National Alliance of Business (SET)

Mr. Tagami presented an Amendment for National Alliance of Business, Inc. decreasing the total amount of the Agreement by \$356. According to the Contractor's representative, employers are increasingly requesting Management Skills and Continuous Improvement Skills training. In order to meet these requests, the Contractor is requesting to move unused slots from Job 3, Job 4 and Job 5 into Job 1.

Staff recommended that the Panel find the Contractor's request reasonable and approve the Amendment.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the Amendment as recommended.

Motion carried, 8 - 0.

Cupertino Electric, Inc. (SET)

Mr. Tagami presented an Amendment for Cupertino Electric, Inc. decreasing the total amount of the contract by \$2,464. In order for the Contractor to successfully complete the ETP training program, the provision of SOST in the training plan has been re-evaluated. The Contractor discovered that the trainees in Job 2 did not need the SOST as originally planned. Therefore, the Contractor is requesting to remove the 22 hours of SOST for Job 2 trainees. This Amendment proposal has been reviewed and approved by the International Brotherhood of Electric Workers, AFL-CIO, Local Union No. 332. Their letter of support was included in the Panel packet.

Staff recommended that the Panel find the request reasonable and approve the Amendment.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the Amendment as recommended.

Motion carried, 8 - 0.

Community Business Schools LLC

Charles Lundberg, acting manager of ETP's Sacramento field office, presented an Amendment for Community Business School LLC increasing the Agreement by \$430,875 adding 75 new hire trainees for a total of 150 trainees for the program. This Amendment is for Phase II of the training. The Community Business School is a private, postsecondary and vocational training facility providing training in business, financial, and computer skills. The project was funded to train and

place 75 unemployed recipients in office automation skills for a total of 360 hours of class/lab instruction. The class mix for the first phase of training is approximately 95 percent ETP trainees.

Staff recommended that the Panel find the Contractor's request reasonable and approve the Amendment if funding is available and the project meets the Panel priorities. This recommendation is based on the Contractor's satisfactory performance in the first phase of the Agreement.

Mr. Lundberg introduced Mr. Zane Shaeffer, Director of Community Business School LLC who pointed out that the number they placed has risen because they spend a lot of extra time with their students before and after classes and on Saturdays.

ACTION: Mr. Cummings moved and Ms. Shockley seconded the Panel approve the Amendment as recommended.

Motion carried, 8 - 0.

Greater Sacramento Urban League (SET) (Welfare to Work)

Mr. Lundberg presented an Amendment for Greater Sacramento Urban League. The Agreement was initially funded to provide business skills training for new-hire trainees, welfare to work trainees and SET multiple barriers trainees. Since there are not enough SET multiple barriers funds available, the Contractor anticipates requesting an amendment for SET funds in the next fiscal year. The Contractor requests several technical changes including the combination of certain job groups and occupations. Job groups 1 and 2 are combined. Curriculum changes are made to groups 1, 3, and 5 including the occupation of call center representative and customer service representative. The Contractor has withdrawn their request for a change in the payment schedule.

Staff recommended that the Panel approve this Amendment.

ACTION: Mr. Trammell moved and Mr. Cummings seconded the Panel approve the Amendment as recommended.

Motion carried, 8 - 0.

University of Phoenix – Sacramento Campus (SET)

Mr. Lundberg presented an Amendment for University of Phoenix-Sacramento Campus (SET), decreasing the Agreement by \$1. The Contractor is asking to remove ten trainees from Job 1 and redistribute them to a newly created Job 3, and to reduce Job 2 by ten trainees. The training hours for Job 3 would be 168 hours.

ACTION: Chairman Duncan moved and Ms. Noyes seconded the Panel approve the Amendment as recommended.

Motion carried, 8 - 0.

The Panel raised the question if SB 43 will address the handling of SET projects with small dollar amounts, and will the bill also address SET projects with technical changes? Mr. DeMauro replied these issues would not be addressed in SB 43 but there would be another vehicle to handle these types of amendments.

Ms. Bradshaw recommended working with Senator Johnston's office to allow for greater flexibility. ETP will advise Senator Johnston that the Panel supports the idea that not every minor detail concerning SET funding should come back before the Panel. The Executive Director and staff should be able to handle minor SET amendments.

ACTION: Mr. Trammell moved and Mr. Cummings seconded the Panel approve this recommendation.

Motion carried, 8 - 0.

Peter DeMauro suggested that when there are more two or more SET amendments before the Panel that require only minor adjustments, staff group them together and present to the Panel as SET Amendments for Consent.

ACTION: Mr. Trammell moved and Mr. Cummings seconded the Panel approve this recommendation.

Motion carried, 8 - 0.

Yuba Sutter Chamber of Commerce

Mr. Lundberg announced the Yuba Sutter Chamber of Commerce has withdrawn their Amendment from this Panel meeting.

XV. REVIEW AND ACTION OF AGREEMENTS AND PROPOSED AGREEMENTS

One-Step Agreements

AT& T Corporation

Diana Torres, manager of ETP's San Diego field office, presented a One-Step Agreement for AT&T Corporation, an Assessment/Consulting/Integration Telecommunications systems services company, for a total program cost of \$821,040 to train 660 retrainees statewide in Commercial Skills.

As a result of new advances in technology, combining voice and data, the AT&T Growth Market sales division is seeking ETP funding to support this major change in the diversification of its

products and services. AT&T Growth Market facilities must move from selling long distance service to offering consulting assistance to help their customers put this new convergent technology together. Only employees of the Growth Market facilities who meet out-of-state competition will be included in this training proposal. The contract suggests that as sales increase an additional 200 employees will be hired. The contractor has certified in writing that this proposed training in Commercial Skills is new training that supplements rather than displaces the training they normally provide. The contractor also certified that in addition to funds from ETP, they project to have training costs and other training related expenses in the amount of \$500,000. Wages to be paid to employees during the training will be \$1.6 million.

Staff recommended that the Panel approve this proposal if funding is available and the project meets Panel priorities.

Ms. Torres introduced Kristin M. Knudson, Learning Manager, Growth Markets, from AT&T appearing for Joe Henderson, Chief Learning Officer for AT&T, and Steve Duscha, Partner, Steve Duscha Advisories. Ms. Knudson read a statement from Mr. Henderson further explaining the purpose of the AT&T application for ETP training funds.

ACTION: Ms. Noyes moved and Mr. Cummings seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Elgar Corporation

Ms. Torres presented a One-Step Agreement for Elgar Corporation, a manufacturer of programmable AC & DC power sources and power conditioning equipment in the amount of \$282,254 to train a total of 280 retrainees in Continuous Improvement, Manufacturing Skills, Computer Skills, and Business Skills. This is the second agreement for Elgar Corporation with ETP who completed a two-year agreement in 1996 earning \$283,588, 85 percent of the encumbered funds. Their first agreement was to begin their transition to a high performance workplace. In their second ETP project, the contractor will continue to supplement efforts to transition to a high performance workplace and diversification of products. The contractor states that the proposed training is completely different training from what was delivered in the first project, and this training supplements the training normally provided to the workforce. In addition to the funds from ETP, Elgar projects training costs and other training related expenses in the amount of \$71,000 and wages paid to employees during the training of approximately \$1,014,430.

Staff recommended that the Panel approve this One-Step Agreement if funding is available and it meets panel priorities.

Ms. Torres introduced Tom Erickson, Vice President, Human Resources & Administration, Elgar Corporation. Mr. Erickson stated that their training efforts had jumped from \$50,000 to \$100,000 after their last ETP contract. They expect to be spending a little over \$100,000 on an annual basis for their future training expenses.

Mr. Rankin asked how many employees they plan to train are at the \$7.23 per hour wage rate. He also inquired if Elgar plans to upgrade wages after training? Mr. Erickson stated that there are a very few people at the lower level, no more than 40, and only relatively new employees would be at that level, the wages of those being trained would be upgraded. At Elgar in San Diego, the average pay is around \$9 per hour.

ACTION: Mr. Cummings moved and Ms. Noyes seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

New Horizons Computer Learning Center

Ms. Torres presented a One-Step Agreement for New Horizons Computer Learning Center for a total program cost of \$278,000. As a multiple employer contractor, New Horizons proposes to retrain 500 workers of companies threatened by out-of-state competition, employers adapting to a high performance workplace and promotion of California's manufacturing workforce in computer skills retraining. The panel had serious concerns about the lack of employer involvement and the resultant lack of customization of training when the project was first presented in February. The staff at this time still has concerns as to whether New Horizons could so dramatically reverse its statewide program in such a short period of time. If the Panel approves this project, staff recommended that the approval be with the contingency that the training program only begin at selected sites agreed upon by ETP and New Horizons, and that ETP staff conduct a review of the participating employers at those sites to assure that there is employer involvement.

Ms. Torres introduced Leena Rai, ETP Business Development Manager for New Horizons. Ms. Rai indicated that New Horizons has undergone a huge philosophical change concerning customized training. New Horizons meets with the employer and does an in-depth analysis and assessment. New Horizons then dedicates classes and provides customized training and individualized instruction. The classes are to be 100 percent ETP training.

ACTION: Mr. Cummings moved and Mr. Hodess seconded the Panel approve the Agreement with contingency, as recommended by staff.

Motion carried, 8 - 0.

San Diego Workforce Partnership, Incorporated

Ms. Torres presented a One-Step Agreement for San Diego Workforce Partnership, which is a multiple employer contract that proposes to train 40 new hires and 80 retrainees in Machine Shop, CNC and CAD/CAM skills in the amount of \$491,880. The San Diego Workforce Partnership, formerly known as the San Diego Consortium & Private Industry Council, has had multiple Agreements with the ETP.

The Contractor reports that every ETP new-hire and retrainee class consists of 100 percent ETP participants. The new-hire wage will be \$9.57 per hour with health benefits. The base hourly wage

will be \$7.95. The lowest base wage for a new hire trainee placed in Machine Shop training is \$7.45 per hour. However, the average placement base wage has been \$10.50 per hour.

Staff recommended that the Panel approve this One-Step Agreement if funding is available and the project meets the Panel priorities.

Ms. Torres introduced Ron Oliver, Director of Employer Services at San Diego Workforce Partnership and Charles T. Davis, Director at Davis Tech Centers.

ACTION: Ms. Williams moved and Mr. Cummings seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

California Career Schools

Mr. Tagami presented a One-Step Agreement for California Careers Schools (CCS) for a proposed funding amount of \$656,460. CCS has been approved by the Bureau for Private Postsecondary Vocational Education since 1970. CCS is proposing to train 150 new-hire individuals currently collecting unemployment insurance (or recent exhaustees): 108 Truck Drivers; 15 CNC Operators; 12 Automotive Line Technicians; and 15 Auto Emissions Technicians. CCS has submitted information showing there is a demand for these types of training, and has successfully trained and placed individuals in these occupations.

The Contractor's representative states that the truck driving classes will be comprised of 100 percent ETP participants. The CNC and Automotive Specialists will be comprised of a minimum of 80 percent ETP participants. Trainees in Jobs 1 & 2 will be reimbursed at the fixed-fee rate. Trainees in Jobs 3 & 4 will be reimbursed at CCS' published rate, which is less than the fixed-fee rate.

Staff recommended that the Panel approve the Agreement if funds are available and the project meets Panel Priorities.

Mr. Tagami introduced Chuck Emanuele, President, of California Career School and Dr. Frank Chavis, Consultant. Mr. Emanuele stated that the proposed program has four specific jobs. Two of them are in the automotive field, one in commercial truck driving, and the other one in CNC operation. Employers have CCS to work with them to help fill these positions. All of these are entry level positions that meet minimum requirements of the employer. Once the trainees are hired, they will continue to be trained by the employers.

Mr. Rankin asked what rate the trainees receive at time of hire and Mr. Emanuele stated the rates would vary. They will be base rates and will not include benefits. This is going to be multi-county training and the rates will vary. The truck drivers will come in at a minimum rate of \$8.50 per hour while they are in training. When they are in the 90-day retention period, they average \$12.50 per hour. At the end of the first year, the average driver will earn about \$38,000-\$40,000 annually.

Mr. Cummings asked about the automotive training. Are they the smog technicians or do they go further? Mr. Emanuele stated that there are two separate training components. One is for line technicians who do brakes, alignments, suspension, front end, heating and air conditioning. The other component is for emission specialists, those who will go to work for ARCO and Smog Pros.

Mr. Cummings asked if when finished with the training, the trainees could the pass an ASC certification and Mr. Emanuele stated that they could.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

California Institute of Customer Engineering of O.C. Incorporated

Mr. Tagami presented a One-Step Agreement for California Institute of Customer Engineering of Orange County, Inc. (CICE) in the amount of \$569,477. This is the third Agreement for this contractor. For twelve years, this training agency has trained and placed individuals in Office Machine Repair. In 1998, based on a growing need for Medical Transcriptionists, CICE expanded its training to include Medical Transcription training. Under this Agreement, CICE proposes to train 100 current unemployed individuals. New-hire trainees will be enrolled in either Job 1, where they will be provided Office Machine Repair training totaling 480 class/lab training hours, or Job 2, where they will be provided Medical Transcription training totaling 540 class/lab training hours.

The project's costs are based on the school's published rates as charged to the public, which is less than the fixed-fee rate. The Contractor is requesting an additional 4 percent support cost be included to defray a portion of the cost associated with new-hire recruitment. Under the prior contract \$30,236 or 7.5 percent of the funds earned was used to pay for EDD promotional mailers.

Staff recommended approval of the One-Step Agreement if funds are available and the project meets Panel priorities.

Mr. Tagami introduced Bert Halpern, Chief Executive Officer of CICE who gave information as to how he will place the students.

Mr. Cummings asked about the overpayment situation from a previous contract. Mr. Halpern informed the Panel that when the are invoiced for February and March there will be no overpayment.

Ms. Williams asked how are they proposing to work with One-Stop Centers. Mr. Halpern stated that any service offered by the One-Stop Centers would be a non-financial service. The centers would only be a referral source. Most of the ETP contractor's clients come from direct mailing.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

California Manufacturing Technology Center (SET)

Mr. Tagami presented a One-Step Agreement for California Manufacturing Technology Center (CMTC) in the amount of \$450,700. CMTC, a private, non-profit organization, was established in 1992 to assist small and medium-sized manufacturers in California to improve their operational efficiencies and global competitiveness. CMTC specializes in developing Quality Systems, Business Planning and Financial Services, Plant and Systems Modernization, Workflow Improvement, Product Design and Marketing, and Human Resources and Workforce Development.

The ETP-funded consortia programs developed by CMTC and Glendale Community College proposes to train 360 retrainees in the areas of Continuous Improvement, Management Skills, Business Skills, Computer Skills, Hazardous Materials, and Literacy Skills.

Glendale Community College will be the training agent and serve as the primary contract administrator.

The Contractor's original Training Plan included a SET Barrier to Full-Time Employment component for 60 trainees. Since SET Barrier funding is not available at this time, that portion of the Training Plan was removed. The Contractor would like the option to include SET Barriers via the amendment process as soon as new funding becomes available for the next fiscal year.

Staff recommended that the Panel approve the One-Step Agreement, if funding is available and the project meets the Panel priorities.

Mr. Tagami introduced Leila Mozaffari, Vice President, Alliances, CMTC. The Contractor was also asked to elaborate on how training is customized to meet the needs of employers. CMTC is in the business of improving the performance of manufacturing companies. They take a holistic approach with the company to identify their improvement needs. A formal training needs assessment is performed to identify the elements of training needed and a follow-up to assure the quality services are being provided.

Mr. Hodess asked if there was any employer contribution. Ms. Mozaffari stated clients participate by the release of the workers during business hours to attend the training classes, by supplementing with materials, and by follow-up assessments that are required, to ensure that what was learned in class is implemented.

Mr. Rankin asked how much of the training is on-site. Ms. Mozaffari answered, "100 percent." She stated that each class contains employees of a single manufacturer.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Career Management Institute

Mr. Tagami presented a One-Step Agreement for Career Management Institute (CMI) in the amount of \$355,080. CMI proposes to retrain 60 employees in Computer Skills and Continuous Improvement Skills. In addition, CMI proposes to train 60 unemployed individuals. These new-hire trainees will receive 360 hours of Computer Skills or Business Skills training. Job 1 will be funded at the fixed-fee rate and Jobs 2 and 3 will be funded at CMI published catalog rates which are less than the fixed-fee rate.

Staff recommended the Panel approve this One-Step Agreement if funding is available and the project meets Panel priorities.

Mr. Tagami introduced Joel Ayala, School Director, who elaborated on how the contract will meet the needs of participating employers.

ACTION: Mr. Cummings moved and Ms. Shockley seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Cinnabar California, Incorporated

Mr. Tagami presented a One-Step Agreement for Cinnabar California, Incorporated, a wholly owned subsidiary of Cinnabar, founded by Jonathan Katz in 1981, in the amount of \$124,760. Cinnabar began in the field of Scenery Fabrication, Special Effects, and Scenic Painting. Cinnabar California, Inc. is involved in a wide variety of projects, from the design and/or manufacture of simple commercial sets for television to permanently installed theme park and museum grade attractions.

Cinnabar is proposing to retrain 106 employees in Computer Skills and Continuous Improvement. The contractor has provided information that states the training is supplemental to existing training the company provides. The Contractor has stated that projected training costs and other training related expenses will amount to \$20,000. Wages to be paid to employees during the training total approximately \$165,360.

Staff recommended that the Panel approved the One-Step Agreement, if funding is available and the project meets Panel priorities.

Mr. Tagami introduced Jonathan Katz, President, who elaborated on the need of the training and why it is supplemental. As designer builders in the entertainment industry, the expansion of the entertainment industry beyond Southern California has put the contractor under increasing pressure from lower wage providers, out-of-state and in Canada. Their response is to increase productivity by teaching a broader range of skills to employees and by offering integrated diversified services.

Mr. Rankin asked if the "crafts" people are those that are being paid \$10.44 per hour. Mr. Katz answered they are basically "crafts" people and the \$10.44 per hour is the starting wage. Their employees can earn up to \$36.60 per hour. The majority of employees average \$14.50 to \$22 per hour.

Ms. Williams asked if most of the trainees would be in the designing area or in the manufacturing area. Mr. Katz answered that training will be in the manufacturing area predominantly, but supervisors and other administrative people will be learning Computer Skills and implementation of other digital technology.

ACTION: Ms. Noyes moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Hayes Lemmerz International, Incorporated

Mr. Tagami presented a One-Step Agreement for Hayes Lemmerz International, Inc in the amount of \$200,769.

Today, Hays Lemmerz designs, produces, and supplies wheels and brake components to original equipment manufacturers of passenger cars, light trucks, and commercial highway vehicles. Of the nine Hayes Lemmerz plants in the U.S. and Europe that make wheels, the plant in La Mirada has the highest production figure, which totaled 2.4 million in 1999. Hayes Lemmerz proposes to retrain 193 employees in Continuous Improvement, Manufacturing Skills, Management Skills, and Computer Skills.

The Contractor states that this proposed training supplements rather than displaces training funded through existing programs. The company plans an in-kind contribution of \$116,200 for training related costs and \$158,440 for wages paid to employees during training.

If funds are available and it meets Panel priorities, staff recommended that the Panel approve this Agreement.

Mr. Tagami introduced Jesus M. Bonilla-Valdez, plant manager, and Ignacio A. Munoz, consultant.

ACTION: Mr. Trammell moved and Mr. Cummings seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Hydroform USA

Mr. Tagami presented a One-Step Agreement for Hydroform USA in the amount of \$402,228. The company proposes to retrain 243 employees in Continuous Improvement, Literacy Skills, and Management Skills. The contractor states that the proposed training supplements rather than displaces training funded through existing programs conducted by the contractor. The company estimates an in-kind contribution for training related costs in the amount to \$105,000 and wages paid to employees while in training in the amount of \$282,964.

Staff recommended that the Panel approve this One-Step Agreement, if funds are available and the proposal meets Panel priorities.

Mr. Tagami introduced Al Karnes, Vice President and General Manager.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

James R. Glidewell Dental Ceramics, Incorporated

Mr. Tagami presented a One-Step Agreement for James R. Glidewell Dental Ceramics, Inc. in the amount of \$419,900, which was founded in 1970 by Mr. Glidewell and served five local dentists by making their crowns and bridges. From the initial five dentists, Glidewell now serves over 5,000 dentists from all over the country. Located in Newport Beach after consolidating operations in 1993, Glidewell now manufactures over 30 different restorative products. Products produced at Glidewell Laboratories fall into four main product groups: crowns, bridges, temporaries, and complete dentures. Glidewell proposes to retrain 335 employees in Manufacturing Skills, Management Skills, Continuous Improvement, and Literacy Skills. The Contractor states the training supplements rather than displaces training funded through existing programs. The Contractor's in-kind contribution will total \$339,050.

Staff recommended that the Panel approve this Agreement, if funds are available and it meets Panel priorities,

Mr. Tagami introduced Darryl Withrow, Vice President, Operations, and Greg Reuel, Consultant. Mr. Withrow stated that this funding is needed to help stay competitive. Ninety percent of their competitors are outside the State Of California. ETP funding will enable implementation of an extensive training program in new technology, new products and new skills in the manufacturing of teeth.

ACTION: Ms Noyes moved and Mr. Hodess seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Southern California Permanente Medical Group, Permanente Vision Services

Mr. Tagami presented a One-Step Agreement for Southern California Permanente Medical Group, Permanente Vision Services, in the amount of \$225,912. This Agreement is for the employees at Permanente Vision Services (PVS), a division of the Southern California Medical Group. They are a for-profit division and manufacturer of lenses for eyeglasses sold in Permanente Medical Offices. As a supply-chain entity, the optical lab provides central inventory management services to its 32 distribution sites throughout the Southern California Region.

The company proposes to retrain 270 employees in Continuous Improvement, Manufacturing Skills, and Computer Skills. This Training Plan has the support of AFL-CIO Health Care Employees Union, SEIU, Local 399.

The Contractor states Continuous Improvement, Manufacturing Skills, and Computer Skills training is new and supplements the training they normally provide. In addition to funds from ETP, they project to incur training costs and other training related expenses in the amount of approximately \$264,000. Wages to be paid to employees during the training total approximately \$189,700.

Staff recommended that the Panel approve the Agreement, if funding is available and the project meets panel priorities.

Mr. Tagami introduced Michael Patrella, Director, Manufacturing and Supply Chain Activities; Mitch Rutledge, Administrator; Gloria Florez, Shop Steward; Allen West, Business Agent 399; and Paul Johnson, Consultant.

ACTION: Mr. Cummings moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

WEA Manufacturing, Incorporated

Mr. Tagami presented a One-Step Agreement for WEA Manufacturing, Inc. in the amount for \$302,400. This company was established in the mid-1930s as Allied Record Company. The company was purchased by Warner Communications music division in 1979 and renamed WEA Manufacturing, Inc. The company employs 360 full-time employees in its Commerce facility.

In 1999, recognizing the strong trend toward digital video was going to continue, WEA management committed to a multi-million dollar DVD manufacturing facility. The operation will be housed at WEA's current location along with its CD and CD-ROM production operations. As a result of this expansion, WEA will initially add over 100 new jobs to its payroll, with further expansion anticipated.

This project will retrain 161 employees. The workers will receive training in Manufacturing and Continuous Improvement Skills. There will be approximately 17 of the 161 workers, who were trained under a prior Agreement, but have been transferred to the new operation and therefore, need new, more advanced skills to operate the DVD equipment. PACE, the Paper, Allied-Industrial, Chemical & Energy Workers International Union (AFL-CIO, CLC) support this project.

The company has certified in writing that this proposed training supplements rather than displaces training they normally provide. The company's in-kind contribution totals approximately \$381,000.

Staff recommended that the Panel approve this One-Step Agreement, if funds are available and it meets Panel priorities.

Mr. Tagami introduced Dave Michelsen, Plant Manager. Mr. Michelsen read a letter of support to the Panel from their Union Representative, Ronny L. Hicks, International Union Representative.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

ABM Industries, Incorporated

Ms. Torres presented a One-Step Agreement for ABM Industries, Inc. This company was established in 1909 originating as a one-man window washing business, which eventually expanded to a complete janitorial service company. They propose a total program cost of \$254,258 to retrain 231 corporate and division headquarter employees in Computer Skills, from their outdated Unix based system to an enterprise system, which supports their move to a High Performance Workplace.

The company has been deemed eligible under 22 California Code of Regulations 4416(d)(1), because the Corporation does significant business outside of California and also provides a significant amount of support services to the company's offices, operations, division, and branches located outside of California.

ABM Industries has certified that this proposed training supplements rather than displaces the existing training. Training and training related costs not covered by ETP funds total \$226,000. Total wages to be paid to trainees during training amount to approximately \$1,541,700.

Staff recommended that the Panel approve this One-Step Agreement, if funds are available and the project meets the Panel priorities.

Ms. Torres introduced Leah Kenworthy, Training Supervisor and Anthony Lackey, Assistant Vice President and Director of ABM Industries, Inc.

ACTION: Mr. Trammell moved and Mr. Cummings seconded the Panel approve the Agreement as recommended.

Motion carried, 7 – 0 (Ms. Noyes was absent during vote).

Corporation for Manufacturing Excellence (MANEX)

Ms. Torres presented a One-Step Agreement for Corporation for Manufacturing Excellence (MANEX), for a project cost of \$993,070 to retrain 1,020 employees. The Training Plan includes Manufacturing Skills, Management Skills, Continuous Improvement, Business Skills, Computer Skills, Literacy Skills, and Hazardous Materials training. This is the third training proposal for MANEX. MANEX has certified that it will require each participating employer to provide a written supplemental training certification.

Staff recommended that the Panel approve the Agreement, if funding is available and the project meets Panel Priorities.

Ms. Torres introduced Sallyanne Monti, Project Manager, MANEX; Barbara McGeough, Chief Financial Officer, MANEX; and Mike Betts, President, Betts Spring Co.

ACTION: Mr. Cummings moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Mountz, Incorporated

Ms. Torres presented a One-Step Agreement for Mountz, Inc. a manufacturer of torque products. As a result of the most recent fixed-fee change, this employer now qualifies for the \$20 per training hour as an employer of less than 100 employees. Therefore, the total program cost has increased from \$109,729 to \$144,364 to retrain 52 retrainees in Business Skills, Computer Skills, Continuous Improvement, Management Skills, and Manufacturing Skills. Mountz states the training is necessary for meeting the technology and changing market demands required to moving into a high performance workplace.

The Contractor has certified that this training supplements rather than displaces training that it normally provides. Training and training related costs not covered by ETP total \$77,226. Wages of employees paid during training will amount to approximately \$569,074, for a total employer contribution of \$646,300.

Staff recommended that the Panel approve this One-Step Agreement, if funds are available and the project meets Panel Priorities.

Ms. Torres introduced Gregg B. Johnson, CFO of Mountz, Inc. who described Mountz, Inc. and their training needs.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 8 - 0.

Mr. Cummings and Ms. Shockley were absent for the remainder of the afternoon.

MSC Pinole Point Steel, Incorporated

Mr. Lundberg presented a One-Step Agreement for MSC Pinole Point Steel, Inc. in the amount of \$301,808 to retrain 231 employees in manufacturing Skills, Computer Skills, Continuous Improvement, Business skills, and Hazardous Materials training. In order to exceed in this competitive environment, MSC Pinole Point Steel must accelerate its transformation to a high performance workplace by introducing new technologies, production processes and equipment. This project was referred by the California Trade and Commerce Agency.

This project has the support of the International Association of Machinists and Aerospace Workers, District Lodge No. 190 of Northern California, which represents 170 out of 231 employees to be

retrained under this Agreement. The Contractor has certified that the proposed training will supplement rather than displace existing training. The Contractor states that training and training-related costs not covered by ETP funds total \$166,471 and wages paid to employees during the ETP training will cost the company \$460,131.

Staff recommended that the Panel approve the Agreement, if funding is available and the project meets Panel priorities.

Mr. Lundberg introduced Karen H. Ulrich, Human Resources Assistant Manager, who stated that they have already begun a training program and intend to continue training after the ETP contract is done to give the company the competitive edge it needs.

ACTION: Mr. Rankin moved and Mr. Trammell seconded the Panel approve the Agreement as recommended.

Motion carried, 6 - 0.

NCP Vocational School (SET)

Mr. Lundberg presented a One-Step Agreement for NCP Vocational School to train 80 new-hires and 300 retrainees under Special Employment Training category to train and place Californians in jobs with career opportunities in an industry in which there is a demonstrated shortage of trained employees. NCP Vocational School, formerly Nursing Care Providers, Inc. is a credentialed training provider that supplies training for certified nursing assistants (CNAs). Based on information supplied by EDD's Labor Market Division, there is a shortage of CNAs at California's nursing homes and hospitals. Customized to meet both governmental requirements and employer needs, instruction involves 32 class hours of health care literacy skills, 76 class hours, and 148 lab/clinical hours of certified nursing assistant training.

Staff recommended that the Panel approve this One-Step Agreement, if funding is available and the project meets Panel priorities.

Mr. Lundberg introduced Nelly Jocson, Director and Evelyn Abad. Ms. Jocson described their business in meeting the needs of the community.

Mr. Rankin asked how they would check whether the hospitals are union or non-union. Ms. Jocson stated they would use the ETP PERC form where there is a place to check whether they are union or not.

Mr. Rankin inquired why union hospitals were not included in this training program. Ms. Jocson stated they were running out of time and they would include union hospitals at a later date.

Ms. Bradshaw suggested the Panel approve the proposal with the contingency that NCP Vocational School include union companies in this Agreement by moving some of the union companies from phase II into phase I. Ms. Jocson stated she did not have a problem with the suggestion.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the Agreement as recommended with the contingency suggested by the Executive Director.

Motion carried, 6 - 0.

Silicon Valley College

Mr. Lundberg presented a One-Step Agreement for Silicon Valley College in the amount of \$563,400 to train 85 new-hires and 75 retrainees in Commercial Skills and Computer Skills.

This is the college's fourth project with ETP. The contractor has placed 94 percent of their new-hires trainees from their current contract. The Contractor has trained at sites in Fremont, San Jose, and Walnut Creek. The college has developed two different class/lab programs to serve the 85 new-hires. Twenty-five new-hire trainees will receive 360 hours of skills training in order to become administrative medical assistants in for-profit offices and health care settings. Sixty will receive 360 hours of skills training in computer graphics design, which includes training in various desktop publishing and design software applications. The college will retrain 75 employees in small firms. With the ETP funding, the Contractor will be able to provide 72 hours of classroom and laboratory training per retrainee for employers that do not have the time, money, and/or expertise to provide this sophisticated technology-based training to their employees. The Contractor projects that 100 percent of the new-hires and retrainees in a typical class will be ETP trainees.

Staff recommended that the Panel approve this One-Step Agreement, if funding is available and the project meets Panel priorities.

Mr. Lundberg introduced Sal Younis, Executive Vice President, who stated that Silicon Valley College is a Maxine Walter's School, which means as a vocational school it has to maintain a completion rate of 60 percent and a placement rate of 70 percent. The College offers 32 programs in four major disciplines. The two programs for new-hire, are specially designed to meet the needs of ETP in that the training program has to be within 360 hours and there has to be an immediate and provable need that the employers are going to hire these graduates.

Mr. Hodess asked if the companies the College is marketing to would be interested in an in-kind contribution. Mr. Younis explained that the companies they deal with are very small "mom and pop" companies and are not financially able to provide in kind contributions.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the Agreement as recommended.

Motion carried, 6 - 0.

TRW Electromagnetic Systems Laboratory

Mr. Lundberg presented a One-Step Agreement for TRW Electromagnetic Systems Laboratory (ESL). This is an Agreement in the amount of \$107,640 to retrain 188 employees. ESL has headquarters in Sunnyvale and a facility in Sacramento. The company is responsible for analysis,

design, and manufacturing of high technology products for the Department of Defense and other agencies.

The company needs to retrain its workers who are in danger of being displaced because of reductions in overall employment within the company. ESL is requesting ETP's assistance to retrain 188 employees to keep their technical skills current. The company proposes to train assemblers, clerical workers, technicians, engineers, managers, and administrators. Employees whose only experience is working on government contracts will now need to learn new Business Skills, Commercial Skills, Computer Skills, Management Skills, and Continuous Improvement Skills to work effectively and efficiently with the competitive commercial market. ESL has certified that this proposed training supplements rather than displaces the current training. Training and training related costs not covered by ETP would total approximately \$800,000.

Staff recommended that the Panel approve this One-Step Agreement, if funds are available and the project meets the Panel priorities.

Mr. Lundberg introduced Jean Tuffley, Senior Human Resources Manager, who stated Electromagnetic Systems Laboratory is a division of TRW with 800 employees located in Sunnyvale and Sacramento. They are primarily a Department of Defense contractor attempting to build commercial and international business. They have experienced significant defense contract cutbacks and are also being absolutely "hammered" by out-of-state competitors. Companies that are located in such places as Texas, Florida and Ohio pay their engineers much less than engineers receive in Silicon Valley. ESL cannot compete on the basis of wages, but can on the basis of productivity of their employees and also by having an engineering population that is technically current in their skills.

ESL is implementing the Software Engineering Institute, a global productivity measure for software development that helps to improve the efficiency and effectiveness of the software code that is being written. ESL is also considering implementing ISO 9000 in their manufacturing and design organizations. Wages paid during training and training related costs not covered by ETP would total approximately \$800,000

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 6 - 0.

Center for Employment Training (CET) (SET)

Mr. Lundberg presented a One-Step Agreement for Center for Employment Training (CET), a Special Employment Training (SET) project for \$117,163, to train 20 new-hires under the category of barriers to full-time employment.

This is the ninth project between CET and ETP. CET was founded in 1967 as a community based private non-profit corporation, and is headquartered in San Jose.

Under this agreement, CET will conduct a repeat new-hire project for unemployment insurance recipients who are 1) eligible for unemployment insurance benefits, 2) who have exhausted their unemployment insurance benefits within the preceding 24 months, or 3) have received, at the time of hire, a notice of layoff from the prior employer. Trainees in Job 1 will receive 630 class/lab hours of truck driving skills training. Job 2 trainees will received 390 hours of automotive brake systems training and 90 hours of literacy skills training. Trainees in Job 3 will receive 380 hours of class/lab vehicle operation training, and 75 hours of literacy skills training. All training will be conducted at CET.

The ETP cost per trainee is based on the Contractor's course catalog hourly tuition cost (which is less than ETP's hourly fixed-fee) for truck driver (\$11.04), brake systems technician (\$9.97), and vehicle operator (\$10.23). The total ETP funding includes 8 percent for recruitment, assessment, and job placement activities.

Because the trainees in this program have multiple barriers to employment, CET is requesting a waiver of the normal ETP minimum wage from \$8.41 per hour to \$8.00 per hour for all trainees.

The Contractor originally requested a larger ETP contract. However, because of the lack of funds currently in this category, the Contractor is now asking for less funding. The Contractor anticipates requesting an amendment when and if new SET funds become available.

Staff recommended that the Panel approve this One-Step Agreement and accept the Contractor's wage of \$8.00 per hour, if funding is available and the project meets Panel priorities.

Mr. Lundberg introduced Elizabeth Hudson, Director, and Daniel Alfaro, Director of Program Development from CET.

Mr. Rankin asked what the prevailing wages for these types of jobs are in this area.

Ms. Hudson stated that in surveying their employers and according to their history, wages range from \$7.00 per hour for bus drivers (the lowest minimum entry level wage) to \$15 per hour for truck drivers. CET is allowing an \$8.00 per hour entry level because of the type of population they serve. The \$8.00 per hour rate does not include the medical benefits.

Ms. Bradshaw stated that the CET has a long and impressive history of working with persons in the multiple barrier category. The intent in asking for a wage waiver is to get people into jobs where they know they can gain work experience in addition to training in order to progress to the \$15 per hour job.

Mr. Rankin would like to see a one year follow-up on the progress of these trainees.

Ms. Bradshaw stated that ETP does get follow-up information through the EDD data base on employer's actual reporting.

Ms. Hudson stated that it is a CET general policy to do a 12-month follow-up, and their average wage in Sacramento is \$9.02 per hour.

Mr. Rankin asked what is the current wage rate for those employees from CET's previous training contract. Mr. Alfaro stated he had just done an analysis for a proposal they had presented to the Department of Labor and the average starting wage of their students was over \$10 per hour.

Ms. Bradshaw recommended the Panel approve the contract but not waive the minimum wage so it would be at the \$8.44 rate. Mr. Alfaro said they would have no problem with that.

ACTION: Mr. Rankin moved without the waiver for minimum wage and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 6 - 0.

EndoSonics Corporation

Mr. Lundberg presented a One-Step Agreement for EndoSonics Corporation for \$450,320 to retrain 325 employees in Sacramento and San Diego. The project meets the legislative funding priorities for moving to a high performance workplace and promotion of California's manufacturing workforce. EndoSonics was founded in 1984 and develops, manufactures, and markets intravascular ultrasound imaging systems and catheters to assist in the diagnosis and treatment of cardiovascular and peripheral vascular disease. EndoSonics customers have requested that EndoSonics improve product quality and reduce the cost by implementing quality improvement programs.

Trainees will receive 48 to 168 hours of continuous process improvement training, computer skills, and manufacturing skills. Continuous process improvement topics will include process improvement, team communication, problem identification and solutions. Computer skills training topics will include working in Windows, production applications, internal customer applications, data entering and editing, and reports. Manufacturing skills will include operating procedures, operating production equipment and tools, resolving production problems, and waste management. Trainees will receive at least \$7.57 per hour, and benefits will be applied to the base wage in order to satisfy the ETP minimum hourly wage of \$10.09 for Sacramento County and \$9.57 for San Diego County. Wages, however, will range around \$30.23 per hour.

EndoSonics has certified in writing that this proposal supplements rather than displaces training provided by the company. The company is investing an additional \$60,000 in training costs and will make an estimated contribution of \$240,700 for wages.

Staff recommended that the Panel approve this One-Step Agreement, if funding is available and the project meets Panel priorities.

Mr. Lundberg introduced Oti Wooster, Vice President, Human Resources and Administration and Don Robards, Director of Human Resources for EndoSonics.

ACTION: Ms. Williams moved and Ms Noyes seconded the Panel approve the Agreement as recommended.

Motion carried, 6 - 0.

The Robert Mondavi Winery Corporation, dba The Robert Mondavi Winery

Mr. Lundberg announced the Robert Mondavi Winery Corporation, dba The Robert Mondavi Winery withdrew their proposal from this month's Panel meeting.

Sacramento Area Electrical Joint Apprenticeship Training Committee (JATC) (SET)

Mr. Lundberg presented a One-Step Agreement for Sacramento Area Electrical Joint Apprenticeship Training Committee (JATC). This project was referred to the Panel by the California Labor Federation (AFL-CIO) Workers Assistance Program. This is a proposal for \$84,042 to retrain of 126 workers under the Special Employment Training category for Front Line Workers.

The Sacramento Area Electrical Joint Apprenticeship Training Committee (JATC) is the educational arm of the National Electrical Contractors Association (NECA) and the International Brotherhood of Electrical Workers (IBEW) Local 340. Journey-level electricians teach the classes.

The recent retirement of an above-average number of senior electricians has left a void in the industry, which most journey-level electricians currently could not fill without additional training. In addition, the IBEW/NECA training center has recently added some new signatory employers whose journey-level electricians have been found to have sub-level skills, leaving them underemployed and in need of additional training. To remain competitive, contractors need workers with the highest skill possible.

The IBEW/NECA is proposing three 48-hour class/lab curriculums in journey-level electrical training; each tailored to specific Job Groups 1 through 3. The retrainees will earn a minimum of \$17.28 per hour and up to \$39 per hour. No apprentices will be trained under this proposal. This project is supported by the International Brotherhood of Electrical Workers, AFL-CIO.

Staff recommended that the Panel approve this One-Step Agreement, if funding is available and the project meets Panel priorities.

Mr. Lundberg introduced Gary Hunziker, Training Director for the Sacramento Area for the IBEW who stated that due to the many technical changes in their industry, almost all of their existing funds are used for apprenticeship training. Therefore, there is little left for the journeyman level.

Mr. Hodess asked about the hourly contributions made for training, and Mr. Hunziker answered the JATC contribution is 50 cents per hour.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the Agreement as recommended.

Motion carried, 6 - 0.

XVI. PUBLIC COMMENT

There were no members from the public who wished to comment.

XVII. EXECUTIVE SESSION

Chairman Duncan announced there would be no Executive Session.

XVII. ADJOURN

There being no further business, the meeting was adjourned at 4:00 p.m.